

The EMC's Role in Oil and Gas Management



Benne Hutson, Chairman
N.C. Environmental Management Commission



The EMC's Role in Oil and Gas Management



- S.L. 2012-143 directs the Environmental Management Commission, after consideration of recommendations from the Mining and Energy Commission, to adopt rules for:
 - (1) Stormwater control for sites on which oil and gas activities are conducted.
 - (2) Regulation of toxic air emissions from drilling operations.

EMC Water Quality Rules Needing Revision



- 15A NCAC 2H .1000 – Stormwater rules
- 15A NCAC 2T – Wastes not discharged to surface waters
 - 2T .0113 – Permitting by Regulation
 - 2T .1000 – Closed-loop recycle
 - 2T .1500 – Soil Remediation

Stormwater Rules Needing Revision



- Regulated discharges arise in three site phases
 - Initial grading – sediment
 - Initial drilling – sediment, hydrocarbons, brines, other
 - Production, less intense – sediment, peak flow, residuals
- Surface water protection to be accomplished by stormwater permit requirements, which must be supported by new rules.

Stormwater Rules Needing Revision



- Stormwater permit requirements
 - Site stabilization per the current NPDES Construction Stormwater permit
 - Structural BMPs; extend the rules in 15A NCAC 2H .1000
 - Full pad containment; and around battery units on the pad; *approximate* the no discharge model, but allow discharge through the structural BMP above a certain 24-hr rainfall.

Stormwater Rules Needing Revision



- **Activities**

- Beginning staff level coordination with DEMLR Energy Program rule development
- Represented in the Coordinated Permitting Study Group
- Stakeholder group presentations; one accomplished, one pending October 3, 2013
- On-going review of summer intern survey of other states' approaches to regulating stormwater discharges.

Land Application Rules Needing Revision



- 2T .0113 – Permitting by Regulation
 - On-site disposal of drilling muds, cuttings and produced water should **not** be permitted by rule
 - Reuse of flowback water for hydraulic fracturing fluid **should be** permitted by rule for sites regulated by DEMLR/MEC

Land Application Rules Needing Revision



- 2T .1000 – Closed-loop recycle
 - Clarify that reuse of flowback water is not a closed-loop recycle system
- 2T .1500 – Soil Remediation
 - Clarify that soil remediation permits are not appropriate for spreading of oil and gas drilling muds and cuttings

Water Quality Rules Schedule



- 10/3/13 – Present stormwater rules to stakeholders
- 10/1/13 – Present proposed rule to WQC
- 11/13/13 – WQC agenda item: send proposed rules to EMC
- 1/9/14 – EMC action: send proposed rules to public comment
- 2/3/14 (approx.) – Start of public comment period
- 4/21/14 (approx.) – End of public comment period
- 7/9/14 or 9/10/14 – WQC adoption
- 9/11/14 – EMC adoption
- 10/16/14 – Rules Review Commission meeting

Regulation of Air Emissions



- The Division of Air Quality (DAQ) has reviewed:
 - The existing regulatory framework (Federal and State)
 - The types of emission sources associated with this activity
 - How other states are regulating air emissions
- DAQ does not believe additional regulations are needed
- USEPA's new rules on air emissions from oil and gas sites; will apply in NC.
 - The rules will require that companies use "green completions" to capture gas during the well completion phase.

Regulation of Air Emissions – Further Study



- DAQ continues to learn from others.
 - Gathering emission factors per pollutant to enable estimates of emissions per well developed.
 - Includes:
 - ✦ truck trips and idling,
 - ✦ land clearing and unpaved roads
 - ✦ drilling and drilling mud
 - ✦ fracturing
 - ✦ completion
- When combined with estimates of the number of wells in a particular area, DAQ will be able to assess impacts from this industry in the vicinity of drilling sites and downwind (e.g. local impacts in Lee County and ozone downwind in the Triangle)

Baseline Air Monitoring



- Session Law 2012-143 require rules related to collection of baseline data.
- New rules aren't necessary for air quality monitoring
 - Existing authority and expertise to accomplish baseline air monitoring exists without additional rule-making.
- DAQ is establishing a new multi-pollutant baseline monitoring site in Lee County.
 - 89 compounds will be measured.
 - At least 1 year of baseline data will be collected.
 - Meteorological data will be collected.
 - Identical upwind and downwind sites in Montgomery and Wake Counties.

More Information



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